
SCHOTTENSTEIN REAL ESTATE GROUP

Live Your Dream

Good morning, Chairman Hoops, Vice Chair Lorenz, Ranking Member Brownlee, and esteemed members of the Ohio House Development Committee:

My name is Steve Cuckler, and I serve as Senior Vice President of Schottenstein Real Estate Group, headquartered here in Columbus, Ohio. I am here to enthusiastically support Substitute House Bill 147 and the concepts contained therein.

Schottenstein Real Estate Group has been investing in, building, and developing complex mixed-use projects for more than 50 years, representing over \$5 billion in total investment—most of it right here in Ohio. Our focus is on large, transformative sites that require significant upfront public infrastructure improvements—often tens of millions of dollars—that local governments have long envisioned but do not currently have the resources to fund.

We step in as a partner.

Working collaboratively with townships, counties, and municipalities, we finance and construct critical public infrastructure that extends well beyond our own property lines. These improvements include new roadways, oversized water lines, expanded sewer capacity, gas and electric extensions, and fiber infrastructure. These are not improvements that serve only our developments; they serve entire corridors and regions, unlocking economic opportunity for others.

A strong example is our Home Road/Orange Grand/Slate Ridge development in Delaware County along U.S. Route 23 in Delaware County.

This 300-acre site sat in a strategic growth corridor but faced substantial challenges:

- A long-planned east-west connector between U.S. 23 and I-71 had been on the county's thoroughfare plan for decades.
- Water line extensions were required.
- Sewer capacity needed expansion.
- Gas and electric service had to be extended.
- Fiber infrastructure had to be installed.

Altogether, these improvements required approximately \$20 million in infrastructure investment. We funded and built these improvements and worked with the township and county to generate millions in additional revenue for future roadway extensions and regional infrastructure needs.

Today, that site includes a major hospital outpatient facility, multifamily housing, a new data facility, and prime ground for flex office and other job-producing uses. The development has created hundreds of jobs and substantial new tax revenue for both local and state governments.

As part of our public-private partnership with Delaware County, construction materials were exempt from sales tax through the Delaware County Finance Authority. That exemption reduced project costs and benefited suppliers and laborers. It is an example of a well-run authority using a tool the legislature has provided to encourage development and infrastructure investment. Without the sales tax exemption, we would not have been able to build given the high interest rates and construction costs. The sales tax exemption incentive is a very common program utilized by hundreds of companies a year investing in Ohio.

However, the issue before you today is not whether these tools work. They do.

The issue is consistency.

Across Ohio, port authorities and finance authorities do not always apply these programs uniformly. A project that receives a sales tax exemption in one county may be denied in another—despite similar public benefits and infrastructure investment. Under current law, there is no meaningful appeal process or higher-level review mechanism when applications of the law differ dramatically from one county to the next.

That lack of uniformity creates uncertainty and an uneven playing field.

Ohio's port authorities—established under Ohio Revised Code Section 4582—are independent units of local government created by counties, cities, or townships. There are currently 61 such authorities across the state. Originally focused on maritime commerce, they have evolved over the past six decades into powerful economic development partners.

Their authorized powers include:

- Promoting transportation and economic development.
- Owning, leasing, and financing land, buildings, and equipment.
- Supporting manufacturing, distribution, and infrastructure projects.
- Facilitating job retention and job creation.

These authorities are vital to Ohio's competitiveness. They help attract capital investment, accelerate development timelines, and make large-scale infrastructure possible.

Rick Platt, CEO of the Heath-Newark-Licking County Port Authority, recently wrote in an op-ed in *The Columbus Dispatch* that, "sometimes government uses taxes to discourage certain activity—and tax exemptions to encourage others". That statement captures the intent behind these programs.

Sales tax exemptions administered by port authorities are not giveaways. They are strategic economic development tools designed to encourage innovation, catalyze public-private partnerships, and advance critical infrastructure investment.

Substitute House Bill 147 does not eliminate local control. It simply ensures that when the state provides a tool, that tool is applied consistently and equitably—or that there is a fair mechanism for review when it is not.

Uniformity brings predictability. Predictability brings investment. Investment brings jobs, infrastructure, and long-term tax base growth.

For those reasons, we respectfully and humbly ask for your support of Substitute HB 147.

Thank you for your time and consideration. I would be happy to answer any questions.